

Jeffrey Wm Ward
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March 15, 2006

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th St. S.W.
Room TWB – 204
Washington, DC 20554

RE: Ex Parte: In re Applications of GTE Corp., Transferor, and Bell Atlantic Corporation, Transferee For Consent to transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License CC Docket No. 98-184

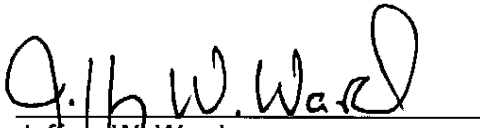
Dear Ms. Dortch:

The enclosed materials are being filed pursuant to Verizon Communications Inc. obligations under Appendix D, Section XXI, paragraph 55 (c) of the above referenced docket that require an annual compliance report be filed with the Common Carrier Bureau's Audit Staff and for the public record no later than March 15, or the first business day thereafter, of the calendar year following the year covered by the report.

This letter provides notice that a copy of the report was filed with the Enforcement Bureau's Audit Staff.

Please include the enclosed document in the record of the above referenced proceeding.

Sincerely,



Jeffrey W. Ward,
Senior Vice President - Regulatory Compliance

Enclosure

Jeffrey Wm Ward
Senior Vice President
Regulatory Compliance



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March 15, 2006

Mr. Hugh Boyle
Chief Auditor
Enforcement Bureau, Investigations and Hearing Division
Federal Communications Commission
445 12th Street, S.W.
Room 6 – C217
Washington, D.C. 20554

Dear Mr. Boyle:

As the Verizon senior corporate regulatory compliance officer, I am submitting Verizon's 2005 Annual Compliance Report. I have responsibility for all regulatory compliance activities, including compliance with merger – related conditions described in Appendix D, Section XXI, paragraph 55 (c) of Docket No. 98-184.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. W. Ward", written over a horizontal line.

Jeffrey W. Ward,
Senior Vice President - Regulatory Compliance



Verizon Communications Inc.

Bell Atlantic/GTE Merger Conditions Annual Compliance Report

**Jeffrey W. Ward
Senior Vice President
Regulatory Compliance
Verizon Communications Inc.**

March 15, 2006

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Introduction
Verizon Merger Compliance Report
March 15, 2006

The Bell Atlantic/GTE Merger Conditions ("Merger Conditions") require Verizon to submit a report annually by March 15 addressing the Company's¹ compliance with the Merger Conditions for the preceding calendar year. This report summarizes Verizon's compliance efforts from January 1, 2005 through December 31, 2005 for the conditions that were operative during 2005². Verizon is committed to complying with all Merger Conditions and has done so in all material respects, as specified in this Merger Compliance Report. Sufficient resources have been and will continue to be dedicated and adequate processes have been created and will continue to be followed to comply with the Merger Conditions. Under the direction of the senior corporate regulatory compliance officer, Verizon maintained an internal control and program management approach to provide reasonable assurance of its compliance with the Merger Conditions. The essential components of this approach, as described in Verizon's first five Annual Merger Compliance Reports, remained materially the same in 2005.

There were no additional merger efficiencies gained in 2005.

¹ The word "Company" or "Companies" used throughout this report refers to the incumbent local exchange carriers ("ILECs") operating as Verizon telephone companies during all or a portion of 2005, collectively as follows: Contel of the South, Inc. d/b/a Verizon Mid-States, GTE Southwest Inc. d/b/a Verizon Southwest, The Micronesian Telecommunications Corporation, Verizon California Inc., Verizon Delaware Inc., Verizon Florida Inc., Verizon Hawaii Inc., Verizon Maryland Inc., Verizon New England Inc., Verizon New Jersey Inc., Verizon New York Inc., Verizon North Inc., Verizon Northwest Inc., Verizon Pennsylvania Inc., Verizon South Inc., Verizon Virginia Inc., Verizon Washington, DC Inc., Verizon West Coast Inc., Verizon West Virginia Inc., provided that, with regard to the Micronesian Telecommunications Corporation, this report only applies to Merger Conditions IV, XVII, XXI, XXII, XXIII, XXIV, and XXV (see Merger Conditions, n.3). Verizon sold Verizon Hawaii Inc. and The Micronesian Telecommunications Corporation ("Transferred Companies") on May 2, 2005 and September 20, 2005, respectively. Verizon's compliance and reporting obligations with regard to the Transferred Companies terminated as of each company's date of sale. Verizon therefore reports on the Transferred Companies' compliance with the Merger Conditions only for those portions of 2005 during which Verizon owned the Transferred Companies.

² Merger Conditions IV. Non-Discriminatory Rollout of xDSL Services, VI. Uniform and Enhanced OSS and Advanced Services OSS, XI. Carrier-to-Carrier Promotions: Unbundled Loop Discount, XII. Carrier-to-Carrier Promotions: Resale Discount, XVII. InterLATA Services Pricing, XXI. Compliance Program, XXII. Independent Auditor, XXIII. Enforcement, XXIV. Sunset and XXV. Effect of Conditions were operative during all or a portion of 2005 and are included in this report. Requirements associated with an August 16, 2002 consent decree impacting Conditions V and XIX were operative during 2005 and are also included in this report. Merger Conditions I, II, III, V, VII, VIII, IX, X, XIII, XIV, XV, XVI, XVIII, XIX, and XX sunset prior to 2005, as detailed in the March 11, 2004 Compliance Report and the March 15, 2005 Compliance Report.

On August 16, 2002, Verizon and the FCC Enforcement Bureau entered into a consent decree terminating an informal investigation into Verizon's compliance with the Merger Conditions. Verizon continued to be in compliance with the data retention requirements of this consent decree through the sunset date of April 23, 2005 for Merger Condition XIX. Additional Service Quality Reporting, and October 22, 2005 for Merger Condition V. Carrier to Carrier Performance Plan.

IV. Non-Discriminatory Rollout of xDSL Services

Section 1: Compliance Summary

The Company complied with the requirements of this condition as described herein. In particular:

- a. In each state where xDSL had been deployed in at least 20 urban wire centers by June 30, 2003, at least 10% of the urban wire centers Verizon deployed were from the Low Income Urban Pool, and in each state where xDSL had been deployed by June 30, 2003 in at least 20 rural wire centers, at least 10% of the rural wire centers Verizon deployed were from the Low Income Rural Pool.
- b. Verizon filed the 2005 quarterly status reports demonstrating compliance with this condition on April 27, 2005, July 29, 2005, October 31, 2005, and January 31, 2006. (projected date)
- c. This condition sunset on December 31, 2003 in states which had met the 20 urban or rural wire center threshold prior to the first status report being filed on January 30, 2001. The condition sunset on June 30, 2003 for those states in which Verizon did not meet the 20 urban or rural wire center threshold by June 30, 2003. In states where the 20 urban or rural wire center threshold was met between January 1, 2001 and June 30, 2003, the condition sunsets 36 months from the date that the threshold was met.

Section 2: Responsible Executive

Name	Title
John Wimsatt	Senior Vice President – Broadband Solutions

Section 3: Additional Action Taken

None.

VI. Uniform and Enhanced OSS and Advanced Services OSS

Section 1: Compliance Summary

The Company complied with the requirements of this condition as described herein. In particular:

- a. The Company continued to offer uniform electronic OSS interfaces and business rules in the former Bell Atlantic and the former GTE service areas in Pennsylvania and Virginia for 100% of the obligated access lines in those states. The obligation to provide uniform electronic OSS interfaces and business rules in Virginia sunset on May 19, 2005.
- b. The changes made to the OSS interfaces and business rules specified in the Plan of Record (POR) as a result of the collaborative process in the Bell Atlantic Service Areas and the GTE Service Areas or as modified pursuant to Verizon's change management process continued to be available through the sunset date of December 22, 2005.
- c. The OSS functions and product ordering capabilities specified in the POR or as modified pursuant to Verizon's change management process continued to be offered in the Bell Atlantic and GTE service areas. As described in paragraph 64 of the Merger Conditions, the changes made per the POR sunset 36 months after implementation. Accordingly, the following portions of the POR sunset during 2005:
 - i. In the former Bell Atlantic service areas, the billing structure identified through the Plan of Record collaboratives required by the Merger Order, which were not available at merger close, sunset in 2005. Specifically, Uniform Billing Account Structure and Billing Output Specification Billing Data Tape (BOS BDT) standardization sunset on December 22, 2005.
 - ii. In the former GTE service areas, the products outlined in Attachment B-2 of the Merger Order, which were not available at merger close, sunset in 2005. Specifically, the obligation to provide Integrated Digital Subscriber Line sunset on February 26, 2005.

Section 2: Responsible Executives

Name	Title
Shaygan Kheradpir	Chief Information Officer – Information Technology
Barry Paulson	Senior Vice President – Engineering and Planning

Section 3: Additional Action Taken

None.

XI. Carrier-to-Carrier Promotions: Unbundled Loop Discount

Section 1: Compliance Summary

The Company complied with the requirements of this condition as described herein. In particular, the Company provided the required unbundled loop discounts to all carriers unless the carrier proactively chose not to accept the discount, in accordance with the Merger Conditions. This Condition sunset on June 15, 2005.

Section 2: Responsible Executive

Name	Title
Virginia Ruesterholz	President – Verizon Partner Solutions

Section 3: Additional Action Taken

None

XII. Carrier-to-Carrier Promotions: Resale Discount

Section 1: Compliance Summary

The Company complied with the requirements of this condition as described herein. The Company provided the required resale discount to all carriers unless the carrier proactively chose not to accept the discount, in accordance with the Merger Conditions and as described in Section 3: Additional Action Taken.

Section 2: Responsible Executive

Name	Title
Virginia Ruesterholz	President – Verizon Partner Solutions

Section 3: Additional Action Taken

In limited instances, Verizon provided an incorrect discount amount, or provided the discount outside the 60-day requirement during 2005. In some instances, the charges eligible for the discount were billed incorrectly. Verizon took corrective actions to issue credits to the affected CLECs effective to the date the error occurred for a qualifying line during the promotional period.

XVII. InterLATA Services Pricing

Section 1: Compliance Summary

Verizon complied with the requirements of this condition as described herein. In particular, each Verizon subsidiary providing interLATA long distance service to wireline residential customers within the United States during 2005 continued to have in effect an interLATA long distance offering that did not include mandatory, minimum monthly, or flat rate charges for interLATA service for the reporting period or until the sunset of the requirement.

This condition sunset on June 30, 2003, 36 months after the merger close date for each Verizon subsidiary providing interLATA long distance service to wireline residential customers in Puerto Rico, Micronesia, and within the United States in former GTE states, except for the properties in Pennsylvania and Virginia.

This condition sunset for New York on January 3, 2003, for Massachusetts on April 26, 2004, for Connecticut on July 30, 2004, for Pennsylvania on September 28, 2004, for Rhode Island on March 3, 2005, for Vermont on April 30, 2005, for Maine on July 2, 2005, for New Jersey on July 4, 2005, for Delaware and New Hampshire on October 5, 2005, and for Virginia on November 9, 2005, 36 months after 271 authorization in these states.

In the remaining former Bell Atlantic states, Verizon complied with the requirements of this condition with each Verizon subsidiary providing interLATA long distance service to wireline residential customers within the United States during 2005 continuing to have in effect an interLATA long distance offering that did not include mandatory, minimum monthly, or flat-rate charges for interLATA service.

Section 2: Responsible Executive

Name	Title
Michael Hassett	Senior Vice President - Voice Product Management

Section 3: Additional Action Taken

None.

XXI. Compliance Program

Section 1: Compliance Summary

Verizon complied with the requirements of this condition as described herein. In particular, Verizon provided accurate and timely reports to the FCC, as required by the condition, including its Annual Merger Compliance Report that was filed on March 15, 2005, which disclosed issues known at that time.

A senior corporate officer appointed as Senior Vice President – Regulatory Compliance oversaw implementation of, and compliance with, the Merger Conditions. The Senior Vice President – Regulatory Compliance presented merger compliance status to the audit committee of the Verizon board of directors on June 2, 2005. Verizon consulted with the FCC staff on an ongoing basis regarding Verizon's compliance.

Section 2: Responsible Executive

Name	Title
Jeffrey W. Ward	Senior Vice President – Regulatory Compliance

Section 3: Additional Action Taken

None.

XXII. Independent Auditor

Section 1: Compliance Summary

Verizon complied with the requirements of this condition as described herein. In particular, Verizon engaged Deloitte & Touche LLP, an independent auditor deemed acceptable to the FCC, for the 2005 Merger audit.

Deloitte and Touche LLP has not been instrumental during the past 24 months in designing all or substantially all of the systems and processes under examination in the attestation engagement.

The 2004 General Merger Conditions audit report was filed on March 25, 2005. Work papers were made available at a Washington, D.C. location.

On April 21, 2005, Verizon, the FCC Audit Staff, and Deloitte & Touche LLP met to confer regarding changes to the detailed audit program. The Company kept the FCC informed of matters required under the Merger Conditions. Verizon granted the independent auditors access to all books, records, operations, and personnel relevant to the conditions addressed in this report.

Section 2: Responsible Executive

Name	Title
Jeffrey W. Ward	Senior Vice President – Regulatory Compliance

Section 3: Additional Action Taken

None.

XXIII. Enforcement

Section 1: Compliance Summary

There has been no determination by the Chief of the Enforcement Bureau that Verizon failed to comply with the Merger Conditions during the effective period of any condition.

Section 2: Responsible Executive

Name	Title
Jeffrey W. Ward	Senior Vice President – Regulatory Compliance

Section 3: Additional Action Taken

None.

XXIV. Sunset

Section 1: Compliance Summary

Merger Conditions XI. Carrier-to-Carrier Promotions: Unbundled Loop Discount, and the August 16, 2002 consent decree sunset in their entirety during 2005.

Section 2: Responsible Executive

Name	Title
Jeffrey W. Ward	Senior Vice President – Regulatory Compliance

Section 3: Additional Action Taken

None.

XXV. Effect of Conditions

Section 1: Compliance Summary

Verizon followed the guidance of this condition in interpreting and applying the Merger Conditions and the relationship to state law.

Section 2: Responsible Executive

Name	Title
Jeffrey W. Ward	Senior Vice President – Regulatory Compliance

Section 3: Additional Action Taken

None.